

Form 1099-MISC **AND** Form 1099-C (Revised 3-14-16)

## **COMMUNITY BANK REPO SETTLEMENT**

Dear Class Member:

Enclosed please find IRS Form 1099-MISC and IRS Form 1099-C in respect to your share of the settlement in *Brennan v. Community Bank, N.A.*, No. 13-cv-02939, in the United States District Court for the Middle District of Pennsylvania (the “lawsuit”).

### **1. Why am I receiving the enclosed tax forms?**

The Settlement Administrator is sending you the enclosed tax forms for the cash distribution and the debt forgiveness that you received as your share of the settlement of the lawsuit.

### **2. Will this affect my taxes?**

Yes. As noted in the class action settlement notice that you received in the mail, the cash distribution and the debt forgiveness in respect to your share of the settlement in the lawsuit may have tax implications for you. The Settlement Administrator will inform the IRS about the amount of your cash payment by filing of this 1099-MISC with the Internal Revenue Service and the amount of your debt forgiveness by filing of this 1099-C with the Internal Revenue Service. This could result in you having to report income in those amounts on your 2016 tax return that is due to be filed in 2017 and, if your total income is above a certain threshold, or you don’t meet certain other criteria for excluding the income to paytaxes on some or all of the cash payment reported on IRS Form 1099-MISC and on some or all of the debt forgiveness reported on IRS Form 1099-C.

**Your individual circumstances will determine whether you will have to pay taxes on some or all of your cash payment and on some or all of your debt forgiveness. You should consult your tax advisor.**

Some IRS documents that may be helpful to you and/or your tax advisor are: (1) IRS Form 982 and the IRS instructions for this form; (2) IRS Publication 4681; and (3) IRS Form 8275. Copies of both tax forms, the instructions to Form 982 and IRS Publication 4681 are enclosed.

**You should consult your tax advisor regarding the “contested liability” in this lawsuit as this may bear on whether some or all of the amount of forgiven debt is taxable.**

### **3. If I do not have a tax advisor, where can I potentially seek help with these tax issues?**

Depending on your circumstances, you may be able to seek help from one or more the following resources:

**A. Tax Counseling for the Elderly (TCE) Program.** The TCE program offers free tax help for all taxpayers, particularly those who are sixty (60) years of age and older. Phone: 1-800-906-9887, or, 1-888-227-7669 (AARP Tax-Aide, a TCE participant).

**B. Volunteer Income Tax Assistance (VITA) Program.** VITA offers free tax help to people who generally make \$54,000 or less, persons with disabilities, and/or limited English speaking taxpayers who need assistance in preparing their own tax returns. IRS certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals. For more information, you may visit the following IRS website page: <http://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>.

**C. Your state CPA Society.** Both the Pennsylvania Institute of Certified Public Accounts (888-272-2001) and the New York State Society of CPAs (212-719-8300) may offer some free or low cost assistance.

Sincerely,

Settlement Administrator

Form 1099-C ONLY (Revised 3-14-16)

## COMMUNITY BANK REPO SETTLEMENT

Dear Class Member:

Enclosed please find IRS Form 1099-C in respect to your share of the settlement in *Brennan v. Community Bank, N.A.*, No. 13-cv-02939, in the United States District Court for the Middle District of Pennsylvania (the “lawsuit”).

### **1. Why am I receiving the enclosed tax form?**

The Settlement Administrator is sending you the enclosed tax form for the debt forgiveness that you received as your share of the settlement of the lawsuit.

### **2. Will this affect my taxes?**

Yes. As noted in the class action settlement notice that you received in the mail, the debt forgiveness in respect to your share of the settlement in the lawsuit may have tax implications for you. The Settlement Administrator will inform the IRS about the amount of your debt forgiveness by the filing of this 1099-C with the Internal Revenue Service. This could result in you having to report income in that amount on your 2016 tax return that is due to be filed in 2017 and, if your total income is above a certain threshold, or you don’t meet certain other criteria for excluding the income, to pay taxes on some or all of the debt forgiveness reported on IRS Form 1099-C.

**Your individual circumstances will determine whether you will have to pay taxes on some or all of your debt forgiveness. You should consult your tax advisor.**

Some IRS documents that may be helpful to you and/or your tax advisor are: (1) IRS Form 982 and the IRS instructions for this form; (2) IRS Publication 4681; and (3) IRS Form 8275. Copies of both tax forms, the instructions to Form 982 and IRS Publication 4681 are enclosed.

**You should consult your tax advisor regarding the “contested liability” in this lawsuit as this may bear on whether some or all of the amount of forgiven debt is taxable.**

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